

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

COBBLESTONE HOTELS, LLC,

Plaintiff,
v.

OPINION and ORDER

PLATTEVILLE LODGING WI, LLC, and PARTH
PATEL,

24-cv-774-jdp

Defendants.

This case arises from a failed franchise agreement between plaintiff Cobblestone Hotels, LLC and defendant Platteville Lodging WI, LLC. The parties executed a franchise agreement, accompanied by a promissory note, in January 2020, under which defendants would operate a Cobblestone Inn & Suites in Platteville. The promissory note and obligations under the agreement were personally guaranteed by defendant Parth Patel. Dkt. 1. But defendants never opened the hotel. Cobblestone Hotels eventually terminated the agreement effective April 8, 2024, and brought this lawsuit to recover damages for breach of contract and trademark infringement because defendants continued to display a Cobblestone Inn & Suites sign.

Defendants have not appeared or filed anything in this case, so the Clerk of Court entered their default. Dkt. 13. Cobblestone Hotels moves for default judgment. Dkt. 14. After an initial hearing on Cobblestone Hotel's motion, the court directed Cobblestone Hotels to provide additional briefing concerning service on Platteville Lodging, Dkt. 17, and entered a permanent injunction against Patel, Dkt. 19. Cobblestone Hotel timely responded to the court's request for additional briefing on the issue of service. Dkt. 20.

The court held an evidentiary hearing on the motion for entry of default judgment on April 8, 2025. Cobblestone Hotels appeared by counsel, Benjamin Kuhlmann; defendants did

not appear. For the reasons explained at the hearing, the court concludes that service was proper on Platteville Lodging and that Cobblestone Hotels is entitled to injunctive relief and damages against both defendants. The court will amend the permanent injunction to include Platteville Lodging.

As for the amount of damages, the court concludes that Cobblestone Hotels has adequately supported its request for compensatory damages comprising the outstanding balance of the promissory note plus interest that accrued on the note before defendants defaulted on the franchise agreement, past-due balances for services that Cobblestone Hotels provided to defendants prior to their default, and liquidated damages under the franchise agreement. The franchise agreement provides that interest on any unpaid amount is 18 percent per annum. So the court will award interest on the outstanding balance owed in the three categories of contractual damages, which results in a total compensatory damages award of \$192,370.61.

At the hearing, Cobblestone Hotels withdrew its request for an accounting and an award of defendants' profits. The court will deny Cobblestone Hotels' request for punitive damages.

Cobblestone Hotels is directed to submit a motion for attorney fees within 21 days of this order.

ORDER

IT IS ORDERED that plaintiff Cobblestone Hotels, LLC's motion for a default judgment, Dkt. 14, is GRANTED. The clerk of court is directed to enter a judgment for \$192,370.61 against defendants Platteville Lodging WI, LLC and Parth Patel.

Entered April 17, 2025.

BY THE COURT:

/s/

JAMES D. PETERSON
District Judge